

Dubious Venture *J.M. 11/12*

If the Democratic campaign book, *Toward an Age of Greatness*, is not a direct violation of the Corrupt Practices Act, it is a shabby end-run around it. One purpose of that act is to prevent corporations from making political contributions. However deftly the financing of this political venture may be camouflaged, the net effect is to draw more than a million dollars from corporate treasuries to promote the political fortunes of Democratic office seekers.

Some of the companies tapped for *Age of Greatness* ads are big defense contractors. Others are engaged in activities that are regulated by Federal agencies. How could companies so obviously seeking the good will of high officials refuse to join in this kind of broadside salute to the Johnson Administration? But the law provides stiff penalties for anyone who, having entered into a contract with the Government, contributes money "or any other thing of value" to any political party or "to any person for any political purpose or use."

Another section of the statute sets up penalties for anyone who "purchases or buys any goods, commodities, advertising, or articles of any kind or description" if any part of the proceeds therefrom "directly or indirectly inures to the benefit of or for any candidate for an elective Federal office." The general provision designed to keep corporations out of politics forbids them to make any "contribution or expenditure in connection with" a Federal election. This is very broad language.

Sponsors of the *Age of Greatness* insist that the \$15,000-a-page ads are not "political contributions" by corporations. Profits from the venture, estimated at \$900,000, will go, not to regular party treasuries, but to "State Committees on Voter Education." But this flimsy camouflage does not change the essential nature of the operation. It remains a highly dubious commandeering of corporate funds for partisan purposes.

Both the Democratic and Republican Parties have made a practice in recent years of shooting holes through the Corrupt Practices Act. Precious little of it remains intact, and much of what does remain is obsolete. Congress has failed to modernize the act and bring it into line with current campaign costs. A new law that would eliminate unrealistic cost ceilings, provide better reporting of campaign expenditures and encourage small political gifts by means of tax exemption is urgently needed. Such a law should also more pointedly forbid the siphoning of corporate funds into camouflaged political agencies by way of the back door.

Meanwhile a public outcry against slick methods of party financing is in order regardless of who employs them. If the law on the books is too fragile to curb this kind of impropriety, public opinion can still make it a risky practice.